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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91184213
Party	Defendant Direct Access Technology Inc
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the matter of Trademark Application Serial No. 78914975
For the mark, METAL GEAR

Galaxy Metal Gear, Inc.	)	
	)	**Opposition No. 91184213**
Opposer	)	
	)	
	)	
v.	)	
	)	**REPLY TO OPPOSITION TO MOTION FOR SUMMARY JUDGMENT**
	)	
Direct Access Technology, Inc.	)	
	)	
Applicant	)	

I. THERE ARE NO MATERIAL FACTS IN DISPUTE

In opposing a summary judgment motion, it is not enough to show there are facts in dispute. The party opposing a summary judgment motion must show that the disputed facts are material to resolution of the issues in the case. Summary judgment is proper if there is no genuine issue as to any **material** fact and the moving party is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(c); *Celotex Corp. v. Catrett*, 477 U.S. 317, 322, 106 S. Ct. 2548, 91 L. Ed. 2d 265 (1986).

"Summary judgment may be granted if the evidence is merely colorable or is not significantly probative." *Vitkus v. Beatrice Co.*, 11 F.3d 1535, 1539 (10th Cir. 1993). "Factual disputes are 'genuine' only 'if the evidence is such that a reasonable jury could return a verdict for the [nonmovant],'" and are "'material' only when they 'might affect the outcome of the suit under the governing law.'" *Oest v. Ill. Dep't of Corrections*, 240 F.3d 605, 610 (7th Cir. 2001) (quoting *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248, 91 L. Ed. 2d 202, 106 S. Ct. 2505 (1986)).

Opposer raises only two grounds as a basis for its opposition. The first is fraud and the second is that the Applicant's mark is merely descriptive and not entitled to trademark protection. As will be seen, none of the "disputed" facts raised by Opposer are relevant or material to the issues in this case. Summary judgment is therefore appropriately entered in favor of Applicant.

II. THERE IS NO FACTUAL DISPUTE THAT SUPPORTS THE CLAIM OF FRAUD MARK

First, it must be noted that Opposer does not claim that it owns the METAL GEAR trademark. Rather it claims the mark is owned by DataStor, a party not opposing Applicant's claim of ownership. Opposer offers no evidence to show it has standing to raise a claim of ownership by DataStor. A claim that the mark is owned by DataStor can only be raised by DataStor.

Second, Opposer's evidence does not raise a genuine issue of material dispute. Opposer argued that the owner of the mark METAL GEAR is really DataStor and not Applicant. The evidence presented does not raise a genuine issue of material fact.

As seen from Applicant's evidence, Applicant has used the mark METAL GEAR in

commerce on enclosures for external computer hard drives since at least May 14, 2003. (Dec. Of Wang, Par.2) (Dep. TR of Tan, page 19, lines 13-20). Evidence related to sales to others in 2004 or later are irrelevant to the issue of whether Applicant owns the mark or not. Opposer presents no evidence that anyone was selling product bearing the mark METAL GEAR prior to Applicant.

Opposer does argue that DataStor is really the owner because Applicant is alleged to be merely a distributor of goods bearing the mark of another. However, no evidence is presented to support such a contention. The evidence is that Applicant was selling enclosures in the US prior to doing business with DataStor. (Dec. Of Wang, Par.3) This is uncontradicted by Opposer. At the time Applicant and DataStor first began doing business, DataStor was not selling any hard drive enclosures. (Dec. Of Wang, Par.3) This is uncontradicted. Applicant introduced DataStor to the product, agreeing to let DataStor manufacture Applicant's hard drive enclosures if it agreed not to compete with Applicant in the US and if it could supply a similar quality product at a better price than Applicant's then current supplier. (Dec. Of Wang, Par.3) This is uncontradicted.

Applicant created the METAL GEAR brand for the hard drive enclosures. (Dec. Of Wang, Par.3) This is uncontradicted. DataStor agreed not to compete with Applicant by selling product that competes with Applicant's product. (Dec. Of Wang, Par.3) This is uncontradicted. Applicant was selling METAL GEAR enclosures before DataStor began selling enclosures to Worldwide Marketing in Taiwan (or CompUSA if you believe Opposer's arguments). (2003 for Applicant, 2004 for DataStor). (Dec. Of Wang, Par.3) (Dec. Of Gary Chen, Par.4) This is uncontested. Finally, Applicant has, since 2006, manufactured METAL GEAR enclosures at its own factory. (Dec. Of Wang, Par.3) This is uncontradicted.

The mere fact that Applicant had the product made by DataStor does not mean that DataStor is necessarily a "foreign manufacturer" that owns the trademark. Indeed the evidence shows that DataStor was nothing more than a "private label" manufacturer, hired by Applicant to make hard drive enclosures exclusively for Applicant under Applicant's mark.

The principle of law that a manufacturer of goods is the presumed owner is not applicable in cases where the exclusive distributor had pre-existing rights in the mark (*Lutz Superdyne, Inc. v. Arthur Brown & Bro., Inc.*, 221 USPQ 354 (TTAB 1984)), or where the manufacturer was placing the mark on the product pursuant to the distributor's instructions (*In re Bee Pollen from England Ltd.*, 219 USPQ 163, 166 (TTAB 1983)).

Further a party need not be a manufacturer of goods in order to own and register a trademark. As stated by the Board in *In re Expo '74*, 189 USPQ 48, 49 (1975), "There is no question that a party is not required to manufacture products to own and register a trademark. In fact, any person in the normal channels of distribution including a manufacturer, a contract purchaser who has goods manufactured for him, and a retailer or merchant as well as any nonprofit organizations or institution can be the owner of a trademark "in commerce" if he applies or has someone in his behalf apply his own trademark to goods to which he has acquired ownership and title and sells or merely transports such goods in commerce as his own product with the mark, as applied thereto, serving to identify the particular product as emanating from the shipper or seller in his own capacity." See also, *Amica Mutual Insurance Company v. R.H. Cosmetics Corp.*, 204 UPSQ 155, 161-162 (TTAB 1979) (the owner of a mark need only apply the mark to products sold or transported in commerce so that the recipient of the goods identifies the supplier of the goods as the source).

The uncontradicted evidence shows that Applicant was selling hard drive enclosures before meeting DataStor. Applicant introduced the product line to DataStor. Applicant originated the METAL GEAR mark. Applicant began selling the product in the US in 2003 and DataStor did not begin selling product to others until 2004. Applicant is the first user of the METAL GEAR mark on hard drive enclosures and therefore the owner of the mark. DataStor, an entity not even a party to these proceedings, does not claim to be the owner of the mark. Nor could it make such a claim, since it was a mere "private label" manufacturer, making goods to Applicant's specifications. Applicant is the owner of the mark and there is no "genuine material" question of fact to be decided.

Finally, Opposer offers no evidence, or even argument, touching on the second element of the fraud claim. As seen in the moving papers, Opposer must prove more than that a false claim of ownership was made. Opposer must also show that Applicant had no reasonable and honest basis for believing the truth of the claim of ownership. Applicant's belief of ownership was reasonable given that Applicant was the selling hard drive enclosures before DataStor, Applicant originated the METAL GEAR mark, Applicant was the first to sell product under the mark in the US, and Applicant had received assurances from DataStor that it would not compete with Applicant in the US. Opposer's complete failure to offer evidence on these points mandates the granting of the motion for summary judgment.

III. METAL GEAR IS NOT DESCRIPTIVE OF COMPUTER HARD DRIVE ENCLOSURES

Opposer produced, as the personal most knowledgeable about its claim that the mark is

descriptive, Antonio Tan, an officer of Opposer, for deposition. (Depo of Tan, page 6) Since Opposer and its related companies bought enclosures from Applicant, Mr. Tan should be somewhat of an expert on whether the METAL GEAR mark is descriptive of enclosures or not. He testified that the mark is not descriptive of hard drive enclosures. (Dep. TR of Tan, page 52, lines 24-25, page 53, lines 1-2) Since the admission is devastating to Opposer's case, Opposer objects to the testimony on the basis of competency. Opposer argues that it calls for a legal conclusion. While this is not a valid objection, it begs the question of how Opposer can argue that there is a question of fact?

Opposer offers no evidence of a definition of the mark METAL GEAR. Rather, it offers definitions of "Gear" and "Equipment." Gear is defined as "Equipment" and Opposer argues that a hard drive enclosure is "Equipment." There are several problems with Opposer's argument.

First, the mark is not GEAR but rather is METAL GEAR. One cannot look at the words "metal" and "gear" separately to determine if the mark is descriptive. In determining whether a mark is merely descriptive, one must consider the mark in its entirety. *Concurrent Technologies Inc. v. Concurrent Technologies Corp.*, 12 USPQ2d 1054 (TTAB 1989) Even though two words may, by themself, be descriptive, a combination of descriptive terms may be registrable if the composite creates a unitary mark with a separate, nondescriptive meaning. *In re Colonial Stores, Inc.*, 394 F.2d 549 USPQ 382 (C.C.P.A. 1968)

Second, when "gear" is used in the sense of "equipment" it is preceded by an adjective used to describe the type of equipment it is. In the dictionary attached as Exhibit "C" by Opposer, it gives an example of "fishing gear" following the definition. Other known examples are "camping gear",

"jogging gear" and "riding gear." When one sees the term "gear" used in this way, one would naturally associate the words as "gear for _." Looking at Applicant's mark, the natural interpretation would by "gear for metal." Only by abstract and incongruous reasoning could one associate computer hard drive enclosures with "gear for metal." Perhaps if Applicant was attempting to trademark the combination for smelting equipment, Opposer's counsel may have a point. However, even Mr. Tan, Opposer's most knowledgeable person regarding Opposer's contentions, did not believe METAL GEAR was descriptive of Applicant's products. There is no question of fact, only arguments of counsel.

Finally, Opposer relies on the disclaimer required by the examiner as a condition of approval. The disclaimer is of no significance in determining whether the composite mark is registrable. As used in trade mark registrations, a disclaimer of a component of a composite mark amounts merely to a statement that, in so far as that particular registration is concerned, no rights are being asserted in the disclaimed component standing alone, but rights are asserted in the composite; and the particular registration represents only such rights as flow from the use of the composite mark. *Sprague Electric Co. v. Erie Resistor Corp.*, 101 USPQ 486, 486-87 (Comm'r Pats. 1954).

IV. CONCLUSION

It is clear that there is no material factual dispute to be resolved and that Applicant is entitled to summary judgment in its favor. As to the fraud claim, Applicant began selling in product bearing the mark in 2003. What others did in 2004 is irrelevant as Applicant was the first to sell product bearing the mark in US commerce. Further, the evidence shows that Applicant created the

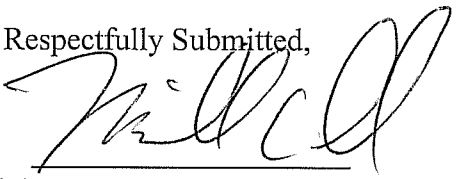
mark, contracted with DataStor to manufacture product for Applicant under Applicant's "private label" and Applicant is, effectively, the manufacturer. Even if Applicant was not the owner, the evidence is clear and undisputed that Applicant had an honest and reasonable belief in the truth of its claim of ownership.

As to the claim the mark is descriptive, there is no evidence in dispute. The only dispute involves the arguments of counsel. The law is clear that a composite mark must be considered as a whole. One cannot break down the mark into its pieces to determine if the pieces, separately, are descriptive. When viewed in its entirety, the mark METAL GEAR is not "merely descriptive" of hard drive enclosures. Even Opposer's own witness on the issue admits the mark is not descriptive. We are left only with the arguments of Opposer's counsel, which arguments are not persuasive.

Summary judgment is appropriately entered in Applicant's favor.

April 8, 2009

Respectfully Submitted,



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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of the foregoing **REPLY TO OPPOSITION TO MOTION FOR SUMMARY JUDGMENT** was served on Jen-Feng Lee, counsel for applicant on this 8th day of April, 2009 by depositing a copy of the same in the United States mail, first class postage prepaid, addressed to:

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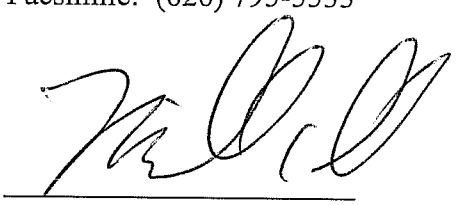

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